

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains, and losses of this product and to help you compare it with other products.

Product

- Product name: Partnership interests in Polaris Flexible Capital I K/S
- Legal Name of manager: Polaris Management A/S
- Competent authority: Danish Financial Supervisory Authority
- Date of production: 07 2021
- Company website: <http://polarisequity.dk/>

Please call +45 3526 3574 for further information.

Alert: You are about to purchase a product that is not simple and may be difficult to understand. You can find detailed information in the product's Private Placement Memorandum ("PPM") and Limited Partnership Agreement ("LPA"). We recommend you seek advice relating to legal, taxation or investment matters and to consult your own professional advisers concerning the acquisition, holding or disposal of the product.

What is this product?

- Type: Participation in a private debt fund.
- Form: A limited partnership fund (partnership interests).
- Objectives: The product provides a way for conducting an investment into private debt. The product will typically invest in bilateral investments within the junior tiers of the capital structure and minority equity, primarily targeting mid-sized investments in the Nordic Countries
- Intended retail investor: Investors who are unable to meet the requirements to qualify as professional investors. Investors who will contribute a up to 50 mDKK to the product. The product is intended to be offered to investors for whom such investment is only a small part of their entire diversified investment portfolio and who fully understand and are willing to assume the risks involved in the product and can bear the potential loss of their entire investment in the product. Each investor will be required to represent that he/she is familiar with and understands the terms, risks and merits of an investment in the product and that he/she is capable of evaluating the merits and risks of the product.
- Term: The product term is 7 years with 2 optional 1-year extensions. It may terminate earlier subject to certain extraordinary conditions set out in the LPA or be further extended.

What are the risks and what could I get in return?

Risk indicator

An investment in the product involves a significant amount of risk, including the risk of losing the entire investment (and commitment), and should only be undertaken by prospective investors capable of evaluating and bearing such risk. There can be no assurance that the product's investment objectives will be achieved or that there will be any return of capital. Interested investors should read the PPM and LPA as a whole, conduct their own due diligence in a reasonable manner, and seek professional advice for – among other things – the legal and tax consequences of investing in the product. Interested investors should carefully consider all risk factors mentioned in the PPM before investing in the product. Investors cannot withdraw from the product, unless in extraordinary circumstances and with consent, as set out in the LPA.

The risk indicator assumes you keep the product for 7 years until the end of the term. There may be extensions to the term. The actual risk can vary significantly if you want to cash in at an earlier stage and you may receive less than your original investment. There is no redemption mechanism, and the product is not actively traded. This product is thus illiquid, and you may not be able to sell your investment in the product or you may have to sell at a price that significantly impacts how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to reap a return on your investment.

We have classified this product as 4 out of 7, which is the fourth highest risk class. This product does not include any protection from future market performance, so you could lose some or all of your investment. This rates the potential losses from future performance at a high level. As a closed-ended private debt fund, the product is priced on a less than-monthly basis (it is not “priced” at all) and therefore the regulation prescribes that we give this product a market risk measure of 4 out of 7.

The unpredictable timing of cash flows poses funding risks to investors. Your investment in the product is contractually binding and defaulting on payments may result in a loss of the entire investment and/or possible liability for damages. In some circumstances, you may be required to make further payments to pay for losses. **You may lose the total amount of your paid-in commitment to the product and be required to pay in the amount up to your commitment.**

Performance scenarios

Investment of DKK 1,000,000		Year 1	Year 4	Year 7 (Recommended investment period)
Scenarios				
Stress scenario	Return after costs	<i>DKK 383,373</i>	<i>DKK 579,187</i>	<i>DKK 437,398</i>
	Average return per year	<i>-61.7%</i>	<i>-10.5%</i>	<i>-8.0%</i>
Unfavourable scenario	Return after costs	<i>DKK 915,172</i>	<i>DKK 1,018,889</i>	<i>DKK 1,218,636</i>
	Average return per year	<i>-8.5%</i>	<i>0.5%</i>	<i>3.1%</i>
Moderate scenario	Return after costs	<i>DKK 1,071,292</i>	<i>DKK 1,311,841</i>	<i>DKK 1,693,458</i>
	Average return per year	<i>7.1%</i>	<i>7.8%</i>	<i>9.9%</i>
Favourable scenario	Return after costs	<i>DKK 1,255,447</i>	<i>DKK 1,882,471</i>	<i>DKK 2,957,705</i>
	Average return per year	<i>25.5%</i>	<i>22.1%</i>	<i>28.0%</i>

This table shows the calculated returns under different scenarios and holding periods assuming that capital calls are made at times and in amounts (with no cost or interest included). The figures are estimates and may change in the future. The tax rules of your home Member State may affect the amount actually paid out. **The content of this document, the PPM and LPA does not constitute the giving of advice on legal, tax or investment matters.**

This product cannot be easily cashed in, as there is no redemption mechanism or public market. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or accept a large loss if you do so. The figures shown in the table include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor or any discounts you may have to accept in case of a sale before the recommended holding period. The figures do also not take into account your personal tax situation, which may also affect how much you get back. Finally, the figures do not take into account any potential additional costs or losses in connection with early redemption.

What happens if the manager is unable to pay out?

The investor may face a financial loss up to the full amount of its investment owing to the failure of the manager or any investment or other counterparty to meet its obligations. The product may not meet its investment objectives or may not successfully implement its investment program. Full investment of the product may be delayed or not achieved at all. Investments will likely take several years to mature and, owing to the nature of the private debt industry and the investments, there will likely be years of limited or no performance before any profit is realised. Even successful investments may not produce significant cash flow to investors for some years, and a significant part of the fund’s investment profits may be reinvested. Some investments (or the portfolio companies beneath such investments) may experience financial difficulties and lose some or all of their value. General fluctuations in the market prices of securities may affect the value of investments, especially those (i) made in listed entities or which may become quoted subsequently; or (ii) with capital structures employing significant amounts of indebtedness. There is no compensation or guarantee scheme in place that applies to the product and, if you invest in the product, you should be prepared to assume the risk that you could lose all of your investment.

What are the costs?

Costs over time

The table below shows what impact the total costs incurred by the product will have on the investment return you might receive. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume that capital calls are made at times and in amounts (with no cost or interest included) at times. The tax rules that apply to the investor may affect the amount actually paid. The figures are estimates and may change in the future. These costs are paid by the product whereas the return that you may receive will depend on the performance of the underlying investments.

Investment of DKK 1,000,000	If you cash in after 1 year	If you cash in after 4 years	If you cash in after 7 years
Total costs	DKK 29,668	DKK 175,239	DKK 332,500
Impact on return (RIY) per year	3.0%	4.4%	4.8%

Composition of costs

Costs consist of one-off costs, recurring costs and incidental costs. It includes costs paid by you directly, but also indirect costs paid by the product, which is not related to the making of investments. These vary and cannot be determined for certain at this time. The manager has estimated these in line with current market terms and experience. The impact on the return per year of the costs charged by the product directly is detailed below. Further details on costs are found in the LPA and PPM.

One-off costs	Entry costs	0.0%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.25%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.
	Carried interest	17.50%	The impact of carried interest. We take these when the investment has performed better than 6%.

How long should I hold it, and can I take money out early?

The product's term is expected to be 7 years with 2 optional 1-year extensions and may be extended further.

Recommended holding period: until the product's liquidation

Most, if not all, of the product's investments will be highly illiquid. There is no divestment or redemption procedure available. The product will repay capital - which results from the sale of investments made by the product or other cashflows generated from the product - to investors over its life. You may not be able to sell your investment in the product or you may have to sell at a price that significantly affects your return on the investment. There are restrictions in connection with the transfer of interests in the product. Details are found in the LPA and the articles.

How can I complain?

If you have any complaints about the product or about the conduct of the manager, you may lodge your complaint by writing an email to finance@polarisequity.dk or by sending a letter to: Lene Møller Rønfeldt, Compliance Officer, Malmøgade 3, DK-2100 Copenhagen, Denmark. You can also contact us via our website: <http://polarisequity.dk/>. If you have any complaints about the person advising on, or selling, the product you should in the first instance pursue that complaint with the relevant person.

Other relevant information

Further documentation, including the manager's regulatory disclosures and disclaimers, is available on the manager's website at <http://polarisequity.dk/>. The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules. You can find detailed information in the product's PPM and LPA.